

HUMAN SERVICES COORDINATING BODY OF EMMET AND CHARLEVOIX COUNTIES

RECEIVED

JUN 05 2007

**LOW INCOME HOUSING
TAX CREDIT**

Mr. Chad Benson
MSHDA
735 E. Michigan Ave.
P.O. Box 30044
Lansing, MI 48909

Dear Mr. Benson,

On behalf of the Charlevoix Emmet Continuum of Care, I encourage the Michigan State Housing Development Authority (MSHDA) to institute the following eight (8) recommendations in its next Qualified Allocation Plan (QAP):

1. Increase the supportive housing set-aside from 15% to 25% of the total allocation credit. Currently, only 25% of the units awarded credit via the set-aside is required to be supportive housing. In Charlevoix and Emmet counties we have placed 72 people in supportive housing units in 2006. Accessible and available supportive housing is vital to our efforts to end homelessness.
2. MSHDA should determine eligibility and award supportive housing set-aside credits.
3. Increase the minimum percentage of supportive housing units from 25% to 33% to qualify for the supportive housing set-aside. In Charlevoix and Emmet counties we continue to have a growing need for supportive housing. By increasing the minimum SH units, the total number available will increase and will provide further incentive to developers with a strong supportive housing plan to apply for the set-aside.
4. Provide additional incentive for developers to include SH units in non-set-aside projects by increasing the number of points awarded to mixed income projects with SH units that might not meet all the requirements of the set-aside.
5. Establish or revise the criteria and selection process for the Tax Credit Application Addendum III, including ranking or prioritizing all project applications to the SH set-aside.
6. Continue to exempt Supportive Housing (SH) units from the 110% of the HUD 221(D)(3) mortgage limit of \$90,000 per unit. Change the definition from the current, "Developments processed under the Corporation for Supportive Housing/MSHDA initiative" to something like, "applications receiving approval of an Addendum III." Other sources of funding, such as those provided by the Federal Home Loan Bank of Indianapolis, cap their assistance to the HUD 221(D)(3) limits unless a state specifically exempts those limits in their QAP.

PARTICIPATING AGENCIES

BASES

Big Brothers/Big Sisters of Northwest Michigan
Charlevoix-Emmet Department of Human Services
Char-Em Intermediate School District
Child and Family Services of Northwestern Michigan
Disability Network of N. MI
Friendship Centers of Emmet County Harbor Hall, Inc.
Little Traverse Bay Bands of Odawa Indians
Lutheran Child and Family Service
MSU Extension (Emmet & Charlevoix County)
North Central Michigan College
North Country Community Mental Health Services
Northern Community Mediation
Northern Michigan Regional Health System
Northwest Michigan 4C Council
Northwest Michigan Community Health Agency
Northwest Michigan Human Services Agency
Northwest Michigan Works! Agency
Planned Parenthood Northern Michigan
Probate Court - Emmet-Charlevoix
Prosecuting Attorney - Charlevoix
Prosecuting Attorney - Emmet
Women's Resource Center of Northern Michigan, Inc.

AFFILIATED ORGANIZATIONS

Charlevoix County Community Foundation
Northern Michigan Substance Abuse Services
Petoskey - Harbor Springs Area Community Foundation
United Way of Char-Em

**One MacDonald Drive * Suite A * Petoskey, MI 49770
(231) 347-7890**

7. Maintain or increase the preservation set-aside. In many cases it is more cost-effective to refurbish sites rather than replace them. The concern in Charlevoix and Emmet County is that for many of the communities the Rural Development 515 apartment projects are the only affordable rental apartments available. The RD 515 apartments are getting old and need to be rehabilitated and upgraded. This is a huge issue for rural Michigan. In other areas preservation sites have frequently and successfully become locations for a high percentage of Supportive Housing units.
8. Require all tax credit projects to include a percentage of units at or below 30% Average Median Income (AMI). The AMI in Charlevoix County is \$43,151 and in Emmet County the AMI is \$44,555 for 2004, current incomes rates are decreasing due to a loss of manufacturing and other jobs in the area. Thirty percent of this 2004 AMI is \$12,945 and \$13,366 respectively. This is not a realistic amount for a person trying to become self-sufficient. To require a percentage of all tax credit projects be set at a reasonable rate, it creates a larger potential market of tenants across a broader range of incomes.

Housing is one of a person's most basic needs. We have demonstrated in Charlevoix and Emmet counties that with supportive housing our clients can become successful and self-sufficient. Please consider enacting our recommendations in the next QAP. Thank very much for your attention to these matters.

Sincerely,

Jamie Winters, CoC Chair - on behalf of the
Charlevoix Emmet Continuum of Care

